

## **GIO Podcast Series: An Innovation Conversation about the future of the enterprise**

**Transcript Title:** Online Games Put the Future of Business Leadership on Display

**Date:** June 2007

**Podcast Length:** 8:40

**Summary:** Tony O'Driscoll, who is part of IBM's On Demand Learning organization talks about [Virtual Worlds](#), [Real Leaders](#), a Global Innovation Outlook 2.0 Report

**Host:** Amy Hermes, Global Innovation Outlook, IBM

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HERMES: Hello, and welcome to the Global Innovation Outlook Podcast Series where IBM demonstrates the innovative value of collaboration.

My name is Amy Hermes, and today I'll be speaking with Tony O'Driscoll, who is in IBM's On Demand Learning group and specializes in performance architecture analysis and design. Thanks for joining me today, Tony.

O'DRISCOLL: Thank you, Amy.

HERMES: So let me jump right in and ask you a little bit about the Global Innovation Outlook study that IBM did this past year with Stanford, M.I.T. and a startup known as Seriosity to study the emerging modern leadership trends that are being expressed and developed within Massively Multi-Player Online Role Playing Games, also known as MMORPGs. Can you tell me a little bit about the study, Tony?

O'DRISCOLL: Sure. The study was really an extension of GIO 2.0 where some provocative questions were raised like, what if the future consisted of a billion one-person enterprises, and what if the trend of people jumping from career to career actually extended to where the role of the enterprise

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might shift to orchestration of facilitation of people around endeavors rather than being full-time employees.

So the question got raised, well, how would leadership work in a world like that? And very quickly, the GIO Deep Dives kind of honed in on this and said, well, isn't that already happening in Massively Multi-Player Online Role Playing Games, and could we learn something from observing leadership behavior inside that environment?

HERMES: So what can you tell me about leadership if we look at it in terms of gaming?

O'DRISCOLL: Well, we were fortunate as you mentioned to partner with M.I.T., Seriosity and Stanford on this. So the way we went after this, Amy, was we decided we were going to going to get access to some of the premiere guild leaders in the world and observe them inside the games, and see what exactly they were doing.

We used Sloane's Management Model, which talks about four different characteristics of distributed leadership. And we started to use those frameworks to observe leadership and say, oh, we're seeing a lot of inventing, we're seeing a lot of relating, a lot of sense-making, we're a lot of visioning.

So we're trying to compare the leadership behaviors that the hardcore guild leaders are exhibiting and how does that

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compare back to what we believe enterprise leadership looks like today.

HERMES: So tell me a little bit about this gamer generation. Who was it specifically that you talked to?

O'DRISCOLL: The average demographic is between 28 through 30 years old in the MMORPG space and 12 percent of gamers are already managers in enterprises. Average gamer spends about 20 hours a week playing games. Good breakdown, male/female demographic.

So, thanks to our relationship with Seriosity, we partnered to go after level 60 guild leaders, meaning people who were at the highest level of leadership inside of a number of games. We looked at Eve, and Everquest, and World of Warcraft.

And essentially if you can imagine this, it's like a virtual documentary. In the gaming world, and in the SecondLife life world, there's a mechanism called machinema, where you actually strap on a camera in the virtual world and you become an investigator or a journalist.

So imagine you have the top guild leaders from all of these games. And you now have people who have the ability to go in and actually tape what's going on. It's almost like being on the front line of a war as a journalist; observe the leadership behavior as it's going on in real activity.

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We collected between 50 and 100 hours of videotape and then we looked at that videotape and tried to correlate it back to the Sloane leadership behavior to see how much of the leadership behavior that we believe is important in the enterprise is exhibited inside the gaming context.

And we found all of it is. All the leadership behaviors that we believe are important for the enterprise today are exercised inside of these Massively Multi-Player Online Role Playing Games.

HERMES: Tell me a little bit more about what you found as it relates to the corporate world.

O'DRISCOLL: The first thing we found is that all the different leadership behaviors are present in games.

The second thing we found is that they get honed a whole lot quicker for a couple of reasons. Inside the gaming environment, as I mentioned before, it takes about 450 hours to get to be a level 60 leader.

Now, the games have advanced, so now there are level 70 leaders. But when we did this study, level 60 was as high as you could get in a game like World of WarCraft. A game hour is like a cat year, it moves pretty fast.

So what we found is inside the game leadership happens a

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whole lot faster. Decisions have to be made a whole lot faster. The leadership roles are temporary. So in other words, it's not like I'm the CEO, I'm going to tell everyone what to do because that person may not be there on any given day. So the leadership roles are quite temporary.

Risk taking is encouraged. So there's obviously a lot of risk and trial and error associated. And practice is plentiful, meaning that there's a lot of opportunity for people to step into leadership roles that they may not traditionally have the opportunity to inside the enterprise.

So if you think about those four things coming together, they come together as a flywheel which is a mechanism to allow those leadership behaviors to get exercised more rapidly.

And there's a famous article that came out in Wired Magazine I guess February of last year, is "Play World of WarCraft, You're Hired," talking about a guy named Steven Gillette, who was hired by Yahoo. He had the exact same resume as another person competing for the job.

But Steven was a level 60 guild leader, which meant he had proven his ability to manage globally distributed teams, which is what he would have to do exactly in his job.

So we think that playing games is serious business and I want to be very explicit. These are Massive Multi-Player

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Online Role Playing Games, they're not the one person shooter games or the Tony Hawk skateboarding games, but the games where you require having to pull together a volunteer work force, where you have a lot of information coming at you. You have very split-second decision making in order to move through a series of quests, and you have to manage tokening and incentives and rewards, and hiring and firing and so on and so forth.

Those types of games, we believe at least from this study, would suggest that they provide the opportunity to hone the skills that people in the enterprise believe are important.

HERMES: So, would you say that the study looks at gaming through a young person's lens? Or would you say that it's more from a corporate world lens? How does it blend them together?

O'DRISCOLL: So in terms of the first piece of the study we were looking at gamers in their natural habitat.

And again, we got three findings out of it -- the leadership behaviors are there in the games, that they happen faster. And the third finding that we got is that the gaming environment itself makes leadership easier so there are incentive mechanisms inside the games that make getting people on board and getting people to come raid and group with you is easier.

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The transparency of people's capability and experience and skills is very clear to everybody inside of games. So you know what you're up against, in other words.

And the communication and the dashboarding mechanisms inside of games are very sophisticated. The dashboarding systems, everybody is kind of looking at the activity in the game but they're looking at it through a lens of what the work flow is and what is the capability of the people is

So instead of having a corporate dashboard sitting in headquarters where one or two executives are making decisions, essentially everybody is looking at the strategy unfolding and observing it through the same dashboard and everyone is covering everybody else's back.

What we then did, in conjunction with the Institute for Business Value was really to conduct a survey with 214 seasoned IBMers who also play games to validate whether or not some of the findings we had from the first piece of work we did with actually had applicability back into the business.

And we found that 39 percent of the IBMers that we surveyed who are both gamers and leaders within the enterprise believe that MMORPG leadership approaches -- things that they learned as a leader in the games -- can be used to improve leadership effectiveness within the enterprise and 75 percent believe that environmental factors can be

applied.

HERMES: So here's the tough question. What's IBM's going to do about all this? What's coming down the pike as a result?

O'DRISCOLL: Well, I think it's important to note that in this study it was IBM working with Seriosity, M.I.T. and Stanford. But when we say IBM, we should be clear who we're working with.

I'm part of the learning organization and we had members from the leadership and capabilities organization. We had members from Research and so on so forth.

And so from a leadership capability perspective, Chris Rotella, who is in charge of defining leadership capabilities for IBM was part of this study, because two of our competencies that we have in our leadership model at IBM are horizontal thinking and strategic risk-taking.

And his interest is in looking at how do those things happen inside of games we believe is going to inform how we shape the execution of those competencies in the future.

The second thing, which is not lost on us as an IT company, is the notion that if 75 percent of the respondents believe that the environmental factors within games can be applied

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to enhance leadership effectiveness for the Globally Integrated Enterprise and we're an IT business, I think that more and more we're going to start looking at how can you game-ify work?

What can you do with dashboarding? What can you do with visualization of data that can help the leader make more informed decisions more rapidly so that we can continue to gain market advantage so I think you'll start to see some things coming out on that front from IBM.

HERMES: Tony, thank you so much for your time.

O'DRISCOLL: You're welcome.

HERMES: For more information about the Global Innovation Outlook please visit [www.ibm.com/gio](http://www.ibm.com/gio).

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